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CENTRAL INTELLIGENCE AGENCY  
OFFICE OF NATIONAL ESTIMATES

15 May 1951

MEMORANDUM OF INFORMATION NO. 70

FOR: National Estimates Board

SUBJECT: Iranian Developments

The possibility that the Iranian Government may soon attempt to take over the AIOC installations in southern Iran and that the UK may use force to prevent such a development has been increased by the following recent developments:

(a) In its first public statement the Majlis Oil Commission, which is dominated by extreme nationalists, implied that world peace would be disturbed if AIOC did not hand over its installations to Iran. It stated it would take all measures at its disposal in order to reclaim its rights and that the least it could do, if AIOC were recalcitrant, would be to revoke the residence permits of all AIOC's foreign staff.

(b) The UK has drafted a note to Iran which, after reiterating the UK's legal claims: (1) states that the UK will refer the issue to the International Court of Justice if Iran refuses to arbitrate the issue; and (2) warns Iran that "serious consequences" may be expected if Iran persists in its refusal to negotiate.

(c) The UK has indicated that, if Iran unilaterally seizes the oil installations, the UK will have to consider very seriously resorting to military force, "at least" to protect British subjects.

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State Dept. review completed

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NO CHANGE IN CLASS. ☐  
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The UK has urgently requested US support against the Iranian Government. The US has replied that it is prepared to support the British substantive position in any Anglo-Iranian negotiations provided the UK accepts the principle of oil nationalization. The US has also suggested that the UK position might better be conveyed to Mossadeq orally than by note. The US has also told the UK that it has grave misgivings concerning the use of force unless: (a) British lives are in danger; (b) Soviet forces invade northern Iran; or (c) the Tudeh Party seizes power in Tehran. The US has requested that it be consulted prior to any decision by the UK to use force in Iran.

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